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leased housing

leased housing program
for families with low incomes

housing authority of the city of newark

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preface

This pamphlet will introduce to you a new program for meeting the housing needs of low income families and individuals: Leased Housing. The Housing Authority of the City of Newark is proud to play a part in this innovative venture. We think it is a good program and one which will develop into a truly meaningful answer to the problems of providing a variety of living accommodations for low income urban dwellers.

This booklet is designed to provide some information and answer a series of questions which cover the major aspects of the Leased Housing Program. However, if you would like to know more contact the office listed on the last page.

What is leased housing?

During the administration of Franklin D. Roosevelt, Congress passed the United States Housing Act of 1937. This act has been the basis for federal legislation in the field of publicly assisted low-income housing. Section 23, as amended by the Housing and Urban Development Act of 1965 and subsequent amendments, provides for the rental of privately-owned housing to low-income families and senior citizens, with financial aid from the Federal government. Local low-rent public housing authorities administer the program.

After receiving approval from HUD (the U. S. Department of Housing and Urban Development), the local Housing Authority canvases landlords who may have vacant dwelling units available for rent. When the landlords offer their property, the Housing Authority sends an inspector to determine whether the units meet the requirements for "standard" dwellings. They must be "decent, safe, sanitary and comply with the local administrative or building codes." Photographs are taken of both the inside and outside of each unit

as part of the initial inspection and are filed with the report on that property.

When necessary, a detailed description of the repairs needed to comply with the Authority's standards is included in the report. The landlord is so advised and may submit a cost estimate for the work needed to bring the property to a "standard" condition. Upon mutual agreement as to the extent of the work to be done, the Authority gives the landlord a letter stating its intent to enter into a Leasing Agreement after completion of the necessary repairs. (The landlord may be able to borrow the funds necessary for repairs by presenting this letter to a local bank.)

After the repairs are completed the landlord again notifies the Authority. The property is then re-inspected and, if approved, the landlord and the Authority enter into the Leasing Agreement. This Agreement guarantees the landlord a given rental for his property for the duration of the lease, and the Authority assumes the responsibility for the continued occupancy of the leased units.

What are the benefits of leased housing?

The Leased Housing program has enabled the Newark Housing Authority to lease vacant dwellings at prevailing market rentals and to sublease them to low-income families and Senior Citizens at rents within their ability to pay. The difference between the amount of the rent that the tenant pays the Authority and the actual rent the landlord receives is provided for by federal funds.

Leased Housing is a relocation resource for low-income families and Senior Citizens who have been displaced by government action from Urban Renewal or highway construction, or by emergency circumstances such as fire and flood or other catastrophes.

Leased Housing guarantees the landlord an income from his property for the period stated in the lease, usually from one to five years, with options for renewal. This guarantee eliminates any monetary loss incurred by vacancies, thereby encouraging landlords to maintain their property at a high standard.

Leased Housing benefits the community by encour-

aging the improvement of poorly maintained, sub-standard housing, thereby maintaining income-producing properties on the city's tax rolls.

Leased Housing permits tenants, whose income rises above low-rent eligibility limits, to remain in their apartments. If the landlord agrees, the tenant has the option to remain in his apartment as a regular tenant or even purchase his unit, if that is possible.

Leased Housing helps keep large houses available for the use of large families, rather than allowing them to be cut up into small apartments.

Leased Housing provides a temporary, decent residence for low-income families until the community can construct an adequate, permanent, low-rent housing supply.

The family residing in a Leased Housing unit has access to all of the resources at the disposal of the Authority, as has any other tenant of Newark's Public Housing Projects.

questions and answers

Q. Is Leased Housing a novelty program?

A. Not at all. Through special grants, the Federal government has funded pilot programs to demonstrate the feasibility of Leased Housing in the District of Columbia, New Haven, Connecticut; Ann Arbor, Michigan; Chicago, Illinois; and Boston, Massachusetts.

Q. How big is the Leased Housing Program?

A. The Housing and Urban Development Act of 1965, under Section 23, authorized an estimated 10,000 units under the Leased Housing Program.

Q. For whom is the Leased Housing Program intended?

A. The local Public Housing agency is responsible for selecting tenants, and the same eligibility standards are used that apply to public housing. Because of their special needs, however, large families and families of Senior Citizens are most likely to be considered for tenancy in Leased Housing.

Q. How are properties chosen?

A. The Newark Housing Authority informs the community of the program, contacts real estate and property management agencies and individual landlords, and invites them to participate. Such participation is on the basis of cooperation; eminent domain and condemnation are specifically forbidden.

Q. Does the Leased Housing Program place a strain on the total housing supply of a given community?

A. No. Before a local Leased Housing Program is approved, the local Housing Authority must satisfy the Federal Government that adequate apartments are available for those persons who are able to pay the full market rent.

who is eligible?

Section 23 (Leased Housing) is administered through local housing authorities. As the local agency, the Newark Housing Authority is responsible for screening and selecting tenants for the Leased apartments. This process is identical with the screening of prospective tenants for public housing in Newark: families living in Newark, whose income falls within the established limits are eligible for both public housing and leased housing. The property-owner (landlord) retains the final decision on the prospective tenant, but he is not permitted to discriminate against any person or family on the basis of race, color, creed or national origin.

Q. Who determines the Leasing Agreement?

- A. The Lease is negotiated on a voluntary basis between the owner or his agent and the Newark Housing Authority. Under the specifications of Section 23, the Authority is obliged to negotiate a rent consistent with those currently being charged in the area.

Q. What is the duration of a Lease?

- A. Leases run for a period of from one to five years, with options for renewal.

Q. Who pays rent to the owner?

- A. The owner receives his monthly rent from the Newark Housing Authority.

Q. To whom does the tenant pay his rent?

- A. The tenant pays his share of the rent to the authorized representative of the Newark Housing Authority.

Q. If the tenant cannot or does not pay his rent, is the owner hurt financially?

- A. No. The Housing Authority guarantees the owner a specified rent for the duration of the Lease.

Q. What about maintenance?

- A. Maintenance, replacement and redecoration are provided for in the Lease agreed to by the landlord and the Newark Housing Authority.

Q. What constitutes an "acceptable" unit?

- A. Federal specifications require that each unit be "decent, safe, and sanitary." This is taken to mean that the unit is in a sound structure and a size sufficient to adequately accommodate the family. Furthermore, each apartment has to provide proper private cooking and sanitary facilities, as well as adequate heat, light and ventilation, and must comply with the local building or administrative code.

Q. What is the responsibility of the tenant?

- A. The Lease Housing tenant has the same responsibilities as any other tenant in the private housing market; he is responsible for paying his rent on time, for normal care of his apartment and for any excessive damage beyond the anticipated normal wear of his dwelling.

Q. How much rent is the tenant expected to pay?

- A. The rent charged tenants represents a percentage of their income, as is true of all tenants of public housing. The difference between the rent which the tenant pays the Authority and the actual rent the landlord receives is made up by the Federal subsidy established by Section 23, the Leased Housing Program.

Q. Where can I get more information about Leased Housing?

- A. Additional information and application forms may be obtained at the Tenant Selection Office, 875 Broad Street, Newark, telephone 622-1030 extension 278, or you may contact the Leased Housing Department of the Newark Housing Authority at 166 James Street, Newark, telephone 622-1030, extension 538.